



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 6/27/2000

GAIN Report #CA0091

Canada

Promotion Opportunities

Extreme Alternative Beverages Going Mainstream in Canada

2000

Approved by:

Norval Francis

U.S. Embassy, Ottawa

Prepared by:

Kathleen Wainio

Report Highlights:

Juices, Beverages, and Flavored Waters are longstanding Best Prospects in the Canadian market. The following article explores a beverage niche, Extreme Alternative Beverages—that use vitamins, herbs, caffeine, and promise increased energy and vitality.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Ottawa [CA1], CA

The following report is taken from the June 10, 2000 edition of the London Free Press

Begin Text:

ENERGY DRINKS PACK A JOLT

The new "extreme" energy drinks flooding North America make a lot of promises. You'll work faster and concentrate harder, they ballyhoo. You'll be a party animal. You'll be better in bed. With names such as Generator, Dynamite, Stamina, Red Devil, Guru and Go-Go Passion, these drinks use a mix of vitamins and herbs such as ginkgo biloba, ginseng and guarana.

Some, such as Blue Ox and Red Bull, are laced with caffeine and are illegal in Canada. They also contain taurine, an amino acid important in the metabolizing of fats. Red Bull, considered the father of all energy drinks, isn't allowed in Canada because it has high levels of caffeine, which doesn't occur naturally in any of its ingredients. Health Canada representative Lynn Lesage said that although the regulations are under review, "non-cola soft drinks are prohibited from using caffeine as an additive." The average 355-millilitre can of Coke contains 46.5 milligrams of caffeine.

Red Bull's label warns the product is not suitable for diabetics, children and persons sensitive to caffeine. Blue Ox, which has 95 milligrams of caffeine per 250-millilitre serving, is legal in the U.S. and sold illegally in certain underground clubs in Toronto and Vancouver. Its makers say the Blue Ox formula, imported from Vienna, promotes a sense of well-being and boosts energy.

They may be illegal. But if you know where to look, you'll find them. These drinks pack a powerful punch. The effects are often felt within 20 minutes and last three to four hours. In the U.S., the de-stressing and anti-oxidizing Hansen's Energy drink as well as Red Bull and Blue Ox are the market leaders, says John Langon of Drinkworks, the Stouffville firm distributing Generator (in Canada and the U.S.) and Blue Ox (in the U.S.). But in Canada, where the phenomenon is still in its infancy, Hansen's, Generator, Red Devil and Guru are vying for the lead, he says.

Until recently they've been sold at rollerblading and snowboarding events, some of the edgier fashion shows, at after-hours clubs and at raves and concerts. But increasingly, you'll see such brands as Generator, Red Devil, Hansen's and XTC at your corner variety store or gas station. These are not isotonic drinks like Gatorade, designed to replenish liquid and minerals after exercise. Rather, these are formulated to boost energy, alertness and stamina.

Liquor stores in Ontario recently began carrying a product called Rev, a ready-mixed, glow-in-the-dark, caffeine-laced vodka cooler.

With ravers and club kids on board, energy drink distributors are now focusing on two new worlds. Langon says he already has Generator in some gyms and hopes to lure tired office workers and long-haul drivers to energy drinks. He suggests these drinks will increase concentration and help them feel more alert. Langon calls it a coffee alternative.

"Generally, they help you concentrate and make you more alert," says Ray Jolicoeur, co-founder of G.I. Energy Drinks of Montreal, which makes and distributes Guru, a drink containing, among other things, guarana extract, Siberian ginseng extract, echinacea extract and ginkgo biloba extract. The drink has made a splash in Quebec nightclubs and is just now spilling into Ontario.

End Text.

Recent Reports by FAS Ottawa

Report Number	Title of Report	Date
CA0040	Promotional Opportunities Report	4/3/2000
CA0063	Multi-Commodity Marketing Launch at U.S. Embassy	5/15/2000
CA0081	Export Opportunities Eastern Canada Report II	5/22/2000
CA0085	This Week in Canadian Agriculture, Issue 14	05/17/2000

Find Us on The Web:

Visit our headquarter's home page at <http://www.fas.usda.gov> for a complete listing of FAS' worldwide agricultural reporting.

Contact FAS/Ottawa by e-mail: usagr@istar.ca